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Inspector General

**OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY**



Inspector General  
Accredited

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*“Enhancing Public Trust in Government”*

# **Contract Oversight Report**

## **CA-2020-0023**

### **Town of Juno Beach Contract Administration Review SCPDC Software License, Maintenance & Support Agreement**

## **May 4, 2020**



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## CONTRACT OVERSIGHT REPORT

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### SUMMARY

#### WHAT WE DID

The Palm Beach County Office of Inspector General (OIG) conducted a Contract Administration Review of the Town of Juno Beach's (Town) contract awarded to the South Central Planning and Development Commission (SCPDC) as a result of the Town's Request for Proposal - Building Permits, Inspections, Code Enforcement and Business Tax Receipt Software and Hardware Solution for the Planning and Zoning Department (RFP). The parties' contract consists of the 1) SCPDC Software License and Service Agreement, 2) Contract for SCPDC Software Services, 3) the RFP, and 4) SCPDC's response (the "Contract").

The Contract is for software used for processing building permits, inspections, code enforcement and business tax receipts for the Town's Planning and Zoning, Building, and Code Compliance departments. The period of the review was from April 2018 through October 2019.

The purpose of our review was to determine compliance with contract specifications, to verify contract deliverables, and to make

recommendations and suggestions to improve the Town's contract administration process.

Our review focused on the software implementation process, including an evaluation of the reimbursable travel expenses incurred by SCPDC's employees and a comparison of monthly license fee invoices after the software was installed and operational to the contractual rates.



#### WHAT WE FOUND

We found that the Town is compliant with the contractual requirements as stated in the contract and that the Town is satisfied with the installation and implementation of the licensed software.

#### WHAT WE RECOMMEND

Based on our review, we found that the Town and SCPDC complied with the requirements of the Contract. Therefore, we have no recommendations.

## BACKGROUND



The Town was incorporated in 1953. It is a community nestled within the north eastern region of Palm Beach County. The Town is governed by a five-member council and a Town Manager. Annually, the council elects from among its members a mayor, a vice mayor, and a vice mayor pro tem to serve at the pleasure of the council.

In 2018, the Town issued a Request for Proposals (RFP) to competitively solicit services from qualified entities to provide building permits, inspections, code enforcement and business tax receipt software and hardware solutions. Our office previously reviewed the RFP process and did not observe any concerns with the solicitation process.

The selection committee recommended award of the solicitation to SCPDC, which is one of the eight regional planning commissions in the state of Louisiana. SCPDC was created in 1973 by Executive Order No. 27 of Governor E. Edwards and established in 1978 by State Act 472 to facilitate intergovernmental cooperation and harmonious coordination of the state, federal, and local planning and development programs. SCPDC's mission statement is that the commission is a, "diverse ever-changing commission serving many different constituencies made specially for and by local governments in the South Central Region." The MyPermitNow software that SCPDC proposed in its RFP response was originally developed for its local members. SCPDC extended sales to other municipalities and now the software is being used in 58 jurisdictions with over 2,000 daily users.

The Town Council authorized the Town Manager and staff to negotiate and complete a five (5) year contract with SCPDC. As a result of Council approval, Town staff negotiated terms and conditions, which resulted in the Contract, that was executed on April 11, 2018.

Our office reviewed the Contract, and SCPDC invoices. We conducted an onsite visit with the Town's Manager, Planning and Zoning Director, and Finance Director to learn more about how the Contract was implemented and administered during the review period.

SCPDC employees provided software implementation and training for Town staff onsite at specified Town offices. Five members of the Town staff received training. The training was designed to help Town staff understand the functionality of the system. During the implementation visits, Town staff identified software functions that could be customized for better utilization. SCPDC software engineers made changes so the software would better meet the Town's needs.



These modifications were made without additional cost. For example, steps in the permitting process for what appears on the screen were changed; reporting functions for audit features were customized; and information within dropdown menus when processing permits were altered to meet the Town's needs.

The Contract allows the Town to use 4 modules; permitting, planning and zoning, code enforcement, and addressing/GIS Integration. When interviewed, Town staff stated they are currently using and paying for the permitting and code enforcement modules. They also stated that they do not foresee having a need for the other two modules. Town staff explained that the Town is approximately 2.5 square miles and there is 1 inspector. Currently, the Town does not have a need for the planning and zoning or addressing/GIS Integration modules. The Town has the option to add these modules if the need arises at a later time.

## **OBSERVATIONS**

On April 11, 2018, the Town Council approved the Contract and authorized SCPDC to receive travel reimbursement for training and implementation in the not to exceed amount of \$5,400.00. The Contract specified that training and implementation-related lodging, airline costs, mileage and food reimbursement would be based on the federal GSA per diem rate as found on GSA.gov, and that travel expenses for car rental expenses shall be actual cost. Upon completion of the software and hardware installation and the training of Town staff, SCPDC began monthly invoicing for the monthly software and license fee for the two modules used by the Town.

Our review of the travel expenses for training and implementation included the review of section 5.4 of the SCPDC Software License and Service Agreement portion of the Contract; travel expense documentation from SCPDC including invoices, receipts, reimbursement request logs, and the Town's records of verifying the travel expenses incurred by SCPDC.

### **SCPDC Travel Expenses for Training Town Staff**

The SCPDC Software License and Service Agreement states:

5.4 Expenses. License Fee and the fees for services do not include Reimbursable Expenses. SCPDC will bill Licensee for identified Reimbursable Expenses and Licensee shall reimburse SCPDC.

Reimbursable Expenses shall mean expenses incurred directly in connection with the services performed pursuant to this Agreement by SCPDC for travel and transportation. Lodging, airline costs, Mileage, and food reimbursement will be based on the Federal GSA per diem rate as found on GSA.gov. Travel expenses for car rental expenses shall be for actual cost.

We reviewed the 2018 GSA rates from GSA.gov and determined that the lodging rate for Palm Beach County was \$110 per night before taxes and that taxes were allowable; the per diem amount for food was \$59; airfare and baggage was actual cost; parking was actual cost; and mileage from company headquarters to the airport and return was at the IRS rate. Reimbursement requested by SCPDC and paid by the Town was in accordance with these limitations.

SCPDC training facilitators traveled from Houma, Louisiana to the Town in August and September 2018. SCPDC submitted to the Town Invoice number 18M-IT-069 for Reimbursable Expenses for August 19, 2018 through August 23, 2020. The invoice was for travel expenses for two facilitators with a total cost of \$2,810.76, which was paid by the Town. SCPDC submitted to the Town Invoice number 18M-IT-071 for Reimbursable Expenses for September 23, 2018 through September 27, 2018. The invoice was for travel expenses for one facilitator with a total cost of \$ 1,530.21, which was paid by the Town.



Below is a chart of expenses provided by the Town for the travel expenses it paid to SCPDC:

**Travel Expense Summary of August 2018 SCPDC Training**

Flight	541.60		541.60	Flight	541.60		541.60
Hotel	497.20		497.20	Hotel	497.20		497.20
Meals	138.62		138.62	Meals	163.34		163.34
Baggage Fees	100.00		100.00	Baggage Fees			0.00
Parking	7.00		7.00	Parking			0.00
Enterprise	237.13		237.13	Enterprise			0.00
Park'N Fly	34.75		34.75	Park'N Fly			0.00
Mileage	52.32		52.32	Mileage			0.00
<b>Total</b>			<b>1608.62</b>	<b>Total</b>			<b>1202.14</b>

*Travel Expenses for Facilitator 1*

*Travel Expenses for Facilitator 2*

**Travel Expense Summary of September 2018 SCPDC Training**

Flight	623.60		623.60
Hotel	440.00		440.00
Meals	106.18		106.18
Baggage Fees	50.00		50.00
Parking			0.00
Enterprise	223.36		223.36
Park'N Fly	34.75		34.75
Mileage	52.32		52.32
<b>Total</b>			<b>1530.21</b>

*Travel Expenses for Facilitator 1*

Based on our review of the supporting documentation, we determined that the Town paid SCPDC's travel expenses for airfare and baggage, mileage, lodging, parking and meals in accordance with the Federal GSA rates and the actual cost of Enterprise rental car expense, per the parties' Contract.

**SCPDC Software and License Monthly Fee**

Our review of the SCPDC software solutions and license monthly fees consisted of the review of section compensation to the contractor, and schedule A of the Contract. The Contract states in Article 3-Compensation to Contractor, section B.:



Invoices received from the CONTRACTOR pursuant to this Contract will be reviewed and approved by the TOWN'S representative, indicating that services have been rendered in conformity with the Contract and then will be sent to the Finance Department for payment. CONTRACTOR will invoice the TOWN in advance for each payment period. Invoices will normally be paid within thirty (30) days following the TOWN representative's approval.

Schedule A of the SCPDC Software License and Service Agreement, section B. License Fees includes a chart of monthly rates for each of the software modules. The monthly rate for each of the modules is based on annual permit volume. The monthly rates begin at 0 to 100 annual permits and continue in increments up to 30,000 annual permits. Below the chart, it's stated:

The Jurisdiction has agreed to the 1001 – 2000 Permit Volume package. It is understood this will be billed on a levelized billing system of \$958.33 monthly.

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Add on modules of a standard configuration of Planning & Zoning, Solution Center, Addressing/GIS Integration may be activated by request during the term of the agreement for the monthly rates defined in the rate chart in Schedule A that corresponds to the jurisdiction's selected permit package. In the event the jurisdiction makes a change to the original permit package chosen, the monthly rate shall change to correspond with the rate chart as shown in Schedule A.

The add on modules listed in schedule A for the Town’s selected permit package chosen are as follows:

<b>Annual Permit Volume – 1001 - 2000</b>	<b>Software Module</b>	<b>Schedule A Monthly Rate</b>	
	Permits	\$958.33	Active
	Planning & Zoning	\$575.00	Inactive
	Code Enforcement	\$143.75	Active
	Addressing/GIS Integration	\$230.00	Inactive
	Note: Any overage beyond 2000 permits has an overage rate of \$10, but the Town did not exceed 2000 within the review period.		

The Town has two active modules; the permit module and the code enforcement module. Our review of the invoices paid verified that the billed rates were in accordance with the agreed Schedule A contractual rates.

### **CONCLUSION**

As a result of our review, we found that the Town employed effective contract administration tools, techniques, and practices in managing the usage of the purchased software.

### **RESPONSE FROM MANAGEMENT**

The Town had no comments regarding our conclusions.

### **ACKNOWLEDGEMENT**

The Inspector General's Contract Oversight staff would like to extend our appreciation to the Town of Juno Beach for the cooperation and courtesies extended to us during the contract oversight process.

*This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to the Contract Oversight and Evaluations Director by email at [inspector@pbcgov.org](mailto:inspector@pbcgov.org) or by telephone at (561) 233-2350.*